

# Sustainable Investments: A New Model for Post-Pandemic Economic Recovery

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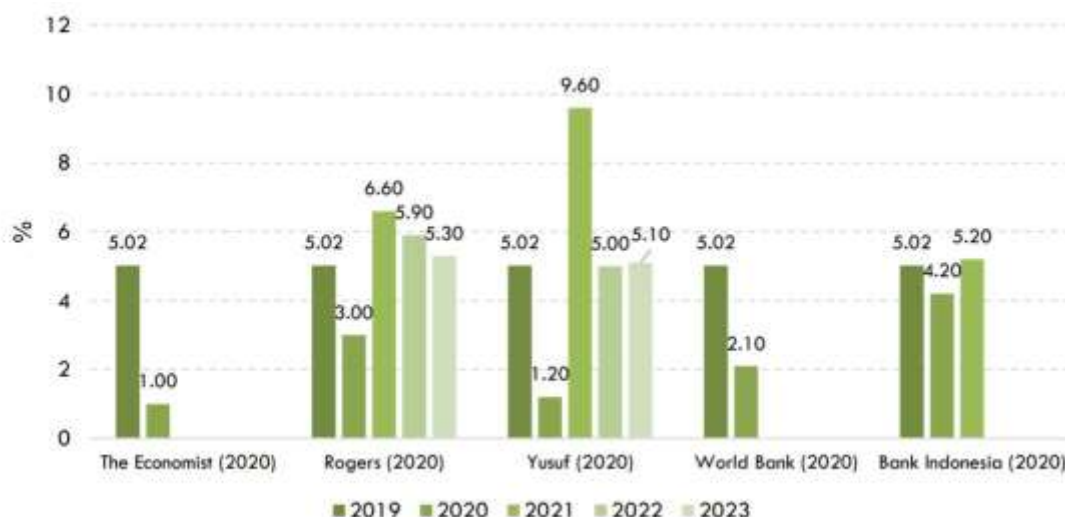
## Abstract

This study analyzes the impact of sustainable investment on economic indicators by considering five main banks in Indonesia, namely PT Bank BRI (BBRI), Bank UOB Indonesia (UOYB), PT Bank Central Asia Tbk (BBCA), PT Bank Negara Indonesia Tbk (BBNI), and PT Bank BJB Tbk. (BJBR). Statistical data involving economic growth, unemployment rates, greenhouse gas emissions, and increasing added value in local communities are analyzed. The results show that sustainable investment provides a significant positive impact, creating sustainable economic growth, reducing unemployment rates, improving the welfare of local communities, and reducing environmental impacts by reducing greenhouse gas emissions. The broader implications emphasize the importance of integrating sustainability in economic policy to achieve inclusive and sustainable growth.

*Keywords:* Sustainable Investment, Economic Growth, Unemployment Rate, Greenhouse Gas Emissions, Community Welfare.

## A. INTRODUCTION

The economic impact of the COVID-19 pandemic has become a serious challenge for countries around the world. As the virus rapidly spread, many governments took drastic measures to control transmission, including lockdowns, travel restrictions, and closure of non-essential businesses, while important for public health, have caused widespread economic disruption (Gourieroux & Jasiak, 2022; Tien et al., 2020). Sectors such as tourism, hospitality and aviation are experiencing a dramatic decline in demand, while most industries are facing challenges in disrupted global supply chains, take note of the following data:



**Figure 1. Indonesia Economic Growth Projections for 2020–2023 (%) (Growth in 2019 is Actual Growth as the Baseline)**

The prolonged impact of the COVID-19 pandemic on economic activities is anticipated, potentially leading the global community into a protracted recession or a severe economic crisis. The International Monetary Fund (IMF) has forecasted a contraction of global economic growth by  $-3\%$  in 2020 due to the pandemic. This downturn is expected to result in the emergence of a new cohort of individuals facing poverty. A study conducted by Sumner, Hoy, and Ortiz-Juarez (2020) encompassing 138 developing countries and 26 high-income countries indicates that the COVID-19 pandemic may push approximately 85 million people into poverty. Turning the focus to Indonesia, the World Bank (2020) has projected that the country's economic growth in 2020 will likely be limited to 2.1%. In a worst-case scenario, this figure may further plummet to  $-3.5\%$ , significantly lower than the 2019 economic growth rate of 5%. The economic shock is also anticipated to contribute to an increase in the number of newly impoverished individuals.

To assess the impact of COVID-19 on Indonesia's poverty rate, a study was undertaken by Suryahadi, Al Izzati, and Suryadarma (2020). The simulation of the 2020 poverty rate involved several scenarios utilizing data from the National Socioeconomic Survey (Susenas). Five different projections of the 2020 economic growth were considered, with rates ranging from 4.2% (Bank Indonesia, 2020) to 1% (The Economist Intelligence Unit, 2020). All projections uniformly indicate a deceleration in economic growth for 2020. Data from Statistics Indonesia reveals that the country's economic growth in the first quarter of 2020 was only 2.97% (BPS, 2020).

Rising unemployment rates and falling household incomes are becoming a harsh reality for many individuals. Entrepreneurship and micro, small and medium enterprises (MSMEs) have also been hit hard, facing significant financial difficulties. This condition raises the risk of poverty and greater economic inequality, global financial markets are experiencing high volatility, with declines in share values, company bankruptcies and continued economic uncertainty (Gourieroux & Jasiak, 2022; Nakicenovic et al., 2020).

It is important to recognize that this impact is not evenly distributed across all sectors and regions. Some sectors, such as information technology and health care, are actually experiencing growth due to adaptation to new trends, such as working from home and increased demand for health technology. The COVID-19 pandemic as a whole has posed serious challenges to global economic stability and requires collaborative efforts from various parties to mitigate its negative impacts and formulate sustainable and inclusive economic recovery strategies (Fu, 2020; Fu et al., 2020).

Traditional economic models, prior to the COVID-19 pandemic, already exhibited several vulnerabilities that have become even more apparent amidst this global crisis. One of the main vulnerabilities is the model's inability to anticipate or respond to extraordinary events such as pandemics (Moglia et al., 2021). Most traditional economic models are based on assumptions about stable and predictable economic growth, and do not take into account significant global risk factors. The pandemic has revealed that when profound changes occur in global economic dynamics, these models become irrelevant and less agile (Elavarasan et al., 2022).

Another vulnerability is the lack of resilience in facing economic turmoil. Traditional economic models often do not include elements of resilience or adaptability to serious external shocks. This pandemic has taught us that economic resilience is a critical factor in preventing total collapse of key sectors and society in general. Limitations in taking social and environmental dimensions into account are also vulnerabilities in traditional economic models. The COVID-19 pandemic shows that these aspects not only play an important role in human well-being, but can also have a significant impact on economic stability (Abdullah, 2022; Secchi & Gili, 2021). The imbalances and inequalities exacerbated by this health crisis underscore the need to integrate social and environmental factors into economic models to be more responsive to complex and versatile challenges, and there is an urgent need to formulate new economic models that are more adaptive, inclusive and sustainable to address vulnerabilities exposed during this pandemic (Abdulkadyrov et al., 2023).

The importance of responding effectively to external uncertainties and shocks has become even clearer in the context of the COVID-19 pandemic. Traditional economic models tend to assume that the economy will recover naturally after temporary disruptions, without considering the long-term impact of a health crisis. But the pandemic has highlighted that economic recovery is not linear, and that factors such as health uncertainty, changing consumer behavior and potential waves of virus variants could result in lasting challenges (Stern & Zenghelis, 2021; Taghizadeh-Hesary & Rasoulinezhad, 2023).

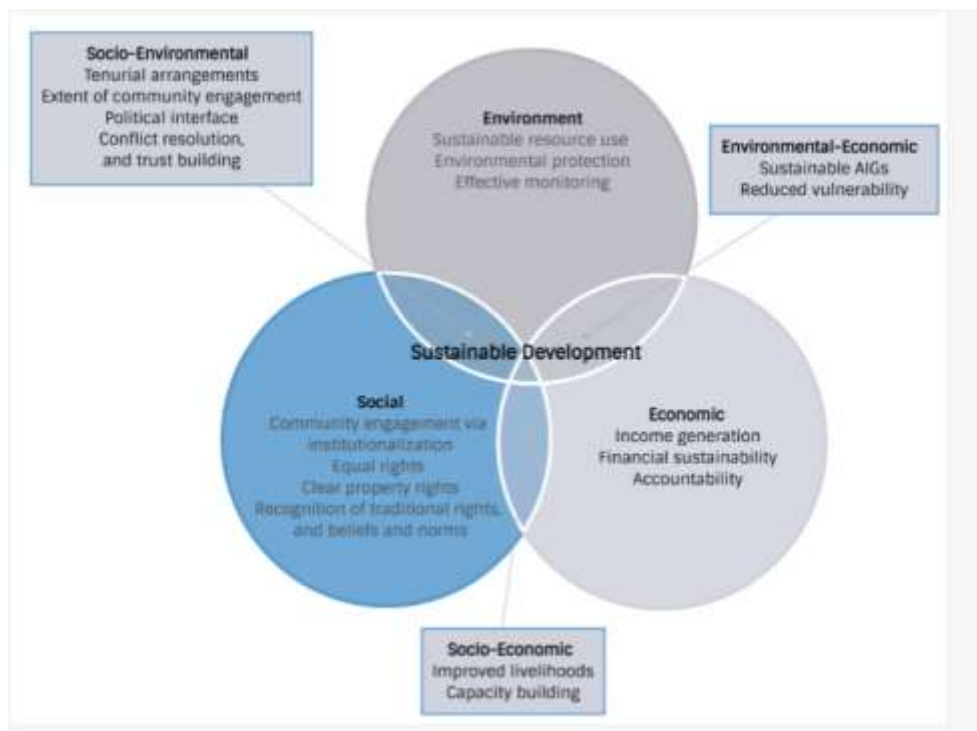
Vulnerabilities in the traditional economic model are also visible in the lack of attention to the informal sector and precarious employment. The pandemic has particularly affected workers in these sectors with mobility restrictions and business closures, exposing pre-existing inequalities and increasing the risk of economic instability for vulnerable groups (Zhang et al., 2023). Technology adoption and digital transformation are also aspects that are often overlooked in traditional economic

models. The pandemic has accelerated the shift towards a digital economy, and models that do not include this dimension may miss understanding of the fundamental changes in the way business is conducted (Zhang et al., 2023).

The COVID-19 pandemic presents valuable lessons that economic models must be more dynamic, responsive to rapid change, and take into account multidimensional aspects of resilience and sustainability. By detailing and addressing these vulnerabilities, we can build a more adaptive and inclusive economic model, capable of facing the challenges that may arise in the future.

The need for a paradigm shift towards sustainable investment is increasingly urgent in the context of global challenges, especially after facing the impact of the COVID-19 pandemic. This health crisis has exposed deep vulnerabilities in the conventional economic model, highlighting the urgent need for a more sustainable and inclusive approach. Sustainable investing offers a framework that views sustainability not only as a social responsibility, but also as a smart economic strategy. Conventional economic models often prioritize economic growth without considering the long-term implications for the environment and society, sustainable investing emerges as a solution that embraces environmental, social and governance (ESG) principles (Nandi et al., 2023).

By allocating funds to companies and projects that promote sustainable practices, investors not only contribute to economic recovery, but also support change towards a fairer, greener and more inclusive economy (Leach et al., 2021). Sustainable investment also takes into account the long-term risks associated with climate change, social inequality and other environmental issues, a paradigm shift towards sustainable investment not only supports global sustainability goals, but also opens up opportunities for quality and stable economic growth in the long term. In response to the complexity of today's global challenges, sustainable investment marks a necessary transition towards a more resilient and sustainable economy, as the following figure illustrates:



**Figure 2. Three Spheres of Sustainability within a Co-Management Model**

Source: Niaz Ahmed et al. (2022)

The connection between sustainable investment and economic resilience is at the heart of this research, driven by awareness of the need to build an economy that not only thrives, but is also resilient to external pressures and crises, such as the COVID-19 pandemic. Sustainable investment is not only a tool for achieving sustainability and corporate social responsibility goals, but also a strong foundation for building economic resilience.

Sustainable investment contributes to economic resilience in several ways. First, an emphasis on environmental, social and governance (ESG) principles in investment decision making helps mitigate long-term risks that could endanger economic stability. For example, investments in companies that prioritize energy efficiency and climate risk management can reduce the impact of environmental uncertainty on supply chains and overall company performance (Sarjana et al., 2021).

Second, sustainable investment accelerates the transition to a green and innovative economy, creates new jobs and increases overall economic competitiveness. By supporting projects that promote innovation and resilience, investors can help build the foundations of an economy that is strong and responsive to market changes.

This research aims to investigate in depth the connection between sustainable investment and economic resilience, involving empirical data analysis and case studies to provide better insight into the impact of sustainable investment on economic performance indicators. Thus, this research not only seeks an understanding of how sustainable investment can strengthen economic resilience, but also provides an empirical basis for decision making at the level of policy and business practice. It is hoped that the results of this research will provide a clearer view of how the

application of sustainable investment principles can shape an economy that is more resilient to global pressures, supports long-term development, and reduces economic uncertainty that may arise in the future (W. Zhao et al., 2022).

## **B. LITERATURE REVIEW**

### **1. Sustainable Investment**

Sustainable investing is a fund placement strategy that takes into account environmental, social and governance (ESG) factors in addition to just financial considerations. The principle of sustainable investment is based on the belief that environmental sustainability and social welfare are crucial factors in achieving long-term goals, both for investors and society in general. This principle includes three main dimensions: 1) Environment: Involves investment in projects that support environmental sustainability, such as renewable energy, energy efficiency, and waste management; 2) Social: Involves consideration of the social impact of investment, such as human rights, social justice, safe working conditions, and the sustainability of local communities; 3) Governance: Includes evaluation of corporate governance, including transparency, business ethics and good management policies; and 4) Sustainable investment aims to achieve financial returns while considering positive impacts on the planet and society (Hobela et al., 2021; Vasilii et al., 2022).

In this principle of sustainable investment, investment is not just a financial tool to obtain profits, but also an instrument that leads positive transformation in the environmental, social and governance fields. These principles reflect the holistic view that economic success is inseparable from the health of the planet and the well-being of society. Sustainable investment becomes a kind of social contract between investors, companies and society, where economic growth is accompanied by responsibility towards our planet and those who inhabit it.

As the pandemic and global economic challenges evolve, previous research has illustrated the extent to which sustainable investment can be key to building economic resilience. These investments, taking into account ESG aspects, help create an economic foundation that is more solid and responsive to changing dynamics. Sustainable growth through innovation and the creation of new jobs are the real results of these investment principles.

Previous studies have investigated the relationship between sustainable investment and economic recovery, especially in the context of post-crisis or significant economic events. These findings include:

- a. Sustainable Economic Growth: Sustainable investment can accelerate long-term economic growth by encouraging innovation, creating new jobs, and supporting environmentally friendly sectors (Vasilii et al., 2022).
- b. Crisis Resilience: Investment portfolios that consider ESG factors have proven to be more resilient to market pressures during economic crises. Companies that have sustainable practices can face challenges better than those that don't (Cárdenas & Ayala, 2020).

- c. Drivers of Investment and Consumer Decisions: Society is increasingly likely to support companies committed to sustainability, which can encourage investment and improve economic performance (Petrunenko et al., 2021).
- d. Impact on Social and Environmental Inequalities: Sustainable investments can help reduce social inequalities and support environmental justice principles, which can have a positive impact on overall economic recovery (Emmanouil-Kalos, 2021).

Previous studies also reflect that companies with sustainable practices have a competitive advantage in overcoming economic pressures, have a positive impact on stock prices, and strengthen market positions. Furthermore, consumer behavior that increasingly prioritizes sustainable values also encourages investment towards companies that prioritize the environment and social responsibility.

## **2. Economic Recovery Model**

A review of existing economic recovery models covers the various approaches that have been applied historically to overcome economic crises. These models include fiscal stimulus, monetary policy, and structural reforms as instruments to stimulate economic growth. However, the COVID-19 pandemic has highlighted the limitations and inadequacies of these models in the context of post-pandemic recovery. Traditional models such as monetary policy involving lowering interest rates and fiscal stimulus involving increasing government spending, have been widely used as a response to economic crises (Bhatnagar & Sharma, 2022; X. Zhao et al., 2023).

First, traditional models tend to be less responsive to the unique dynamics that have emerged during the pandemic. Low interest rate policies may have limited impact as the economy grinds to a halt due to mobility restrictions and widespread business closures. Monetary policy that tends to support the financial sector and fiscal stimulus that does not always support all levels of society can increase economic inequality.

Second, criticism is also aimed at the inequality of policy impacts. Some community groups, such as informal sector workers and micro, small and medium enterprises (MSMEs), may not benefit sufficiently from conventional stimulus, increasing economic and social disparities. Informal sector workers and MSMEs are often the most affected groups, and traditional models need to be updated to better account for sustainability and inclusiveness in economic recovery.

Third, traditional models often do not take environmental factors into consideration. Post-pandemic economic recovery provides an opportunity to build back more sustainably by directing investment towards sectors that support the transition to a green economy. The pandemic provides an opportunity to restructure the economy towards sustainable sectors, but policies that do not include environmental dimensions can hinder efforts to achieve environmentally friendly growth.

Fourth, policies that do not consider aspects of public health and safety can hamper long-term economic recovery by delaying or extending the duration of the

pandemic. New models must account for resilience to health crises, reduce inequalities, incorporate sustainability principles, and create a foundation that is more resilient and responsive to rapidly changing dynamics. A new paradigm in economic policy is needed to bring about a sustainable and inclusive recovery, combining social, economic and environmental aspects to suit the new realities faced by the post-pandemic world.

This critique of traditional models creates calls for innovation in formulating economic recovery policies. New models need to incorporate resilience to health crises, social inequalities, and sustainability principles to create a more inclusive, equitable, and sustainable economic recovery in the post-pandemic era (Bhatnagar & Sharma, 2022; Kachela et al., 2021).

### **3. Conceptualization of Sustainable Investment**

ESG criteria refer to environmental, social and governance factors that are used to assess the sustainability performance and impact of a company or investment. Environmental factors include things like carbon emissions, waste management, and sustainable practices. Social factors include issues such as human rights, employment fairness, and positive impacts on local communities, governance factors focus on company structure, transparency, and management ethics (Aro-Gordon et al., 2021; Chen et al., 2020).

The relevance of ESG criteria to economic recovery lies in their impact on long-term economic sustainability and resilience. By considering these factors, companies and investors can support a more stable and inclusive economic recovery (Barbier, 2020; Zachariadis et al., 2023). For example, companies that pay attention to social factors can build better relationships with workers and local communities, create a sustainable work environment, and support community empowerment.

The integration of sustainability principles into investment strategies reflects the recognition that sustainability is not only a social responsibility, but also a significant factor in identifying investment opportunities and mitigating long-term risks. Several steps of integration of sustainability principles in investment strategies involve (Aleksandrova Kormishkina et al., 2022a; Aro-Gordon et al., 2021):

- a. **ESG Assessment:** Involves thorough research and assessment of ESG factors to help investors make more informed decisions. This may include evaluation of a company's environmental performance, social impact, and corporate governance.
- b. **Establishment of a Sustainable Portfolio:** Building a portfolio that includes companies or projects with good ESG performance. This can increase long-term profit potential while supporting responsible business practices.
- c. **Active Engagement and Voting:** Actively participate in dialogue with companies to encourage improvements in their ESG practices. Shareholders can also use their voting rights to support policies and actions that are in line with sustainability principles.

- d. Sustainable Financial Product Innovation: Encourage the development of financial products that integrate sustainability principles, such as green bonds and sustainable indices, to provide investors with more diverse choices.

The integration of sustainability principles is not only about fulfilling social obligations, but also about creating long-term, sustainable value for investors, companies and society as a whole. In the context of economic recovery, investment strategies that incorporate sustainability principles can play an important role in building the foundations of a more resilient and sustainable economy (Aleksandrovna Kormishkina et al., 2022b).

### **C. METHOD**

In collecting data, this research has a research focus covering companies in Indonesia that have adopted sustainable investment practices. Data was obtained from the sustainability reports of PT Bank BRI (BBRI), Bank UOB Indonesia (UOYB), PT Bank Central Asia Tbk (BBCA), PT Bank Negara Indonesia Tbk (BBNI), and PT Bank BJB Tbk. (BJBR) which has been actively promoting loan programs for environmentally friendly projects. Macroeconomic data from the Indonesian Central Bureau of Statistics (BPS) and reports from the Financial Services Authority (OJK) are used to assess the impact of sustainable investment at the national economic level.

In selecting data sources, this research identifies and collects information from various sources related to sustainable investment and economic indicators. The data used includes investment trends, economic performance before and after the pandemic, as well as the development of sustainable projects. It is hoped that the diversity of data sources can provide a comprehensive and accurate picture of the impact of sustainable investment on economic recovery. The sample selection in this research used a purposive approach, where the researcher deliberately selected samples that had certain characteristics that were relevant to the research objectives (Pandey & Pandey, 2021).

The reasons for selecting these five banks, namely PT Bank BRI, Bank UOB Indonesia, PT Bank Central Asia Tbk, PT Bank Negara Indonesia Tbk, and PT Bank BJB Tbk, are as follows:

1. PT Bank BRI (Bank Rakyat Indonesia): Chosen because BRI has a strong commitment to financial inclusion and rural economic development. Research can reveal how sustainable investment can strengthen its positive impact on these sectors.
2. Bank UOB Indonesia: Selected because UOB Indonesia has distinguished itself in supporting sustainable projects and green technology. Research can explore the contribution of these banks to financing environmentally friendly projects.
3. PT Bank Central Asia Tbk (BCA): Chosen because BCA is one of the largest banks in Indonesia. Research could evaluate how continued investment in large-scale banks can have a significant economic impact.

4. PT Bank Negara Indonesia Tbk (BNI): Chosen because BNI has a strong presence in various economic sectors. Research could investigate the extent to which sustainable investment can positively influence these sectors.
5. PT Bank BJB Tbk (Bank Jabar Banten): Chosen because Bank BJB has a focus on financing projects that support sustainable development in the West Java and Banten regions. Research can highlight the impact of sustainable investment on regional economic growth.

By selecting samples from various banks with a focus on sustainable investment practices, this research aims to provide a comprehensive picture of the banking sector's contribution to sustainable investment and its impact at the national economic level in Indonesia.

At the analysis stage, this research applies two approaches, namely the application of statistical methods to assess the correlation between sustainable investment and economic recovery, as well as qualitative analysis of case studies to highlight successful implementation strategies. Statistical methods are used to measure and evaluate the correlation between sustainable investment and economic recovery indicators. Regression and correlation analyzes will be used to investigate the relationships between relevant variables, helping to identify the extent to which sustainable investments can influence economic change. Qualitative analysis of case studies was conducted to investigate the qualitative factors that influence the success or failure of implementing sustainable investment models. An in-depth understanding of successful implementation strategies will provide valuable insights for practitioners, regulators and other stakeholders interested in applying this model in the context of post-pandemic economic recovery (Bougie & Sekaran, 2019; Gourieroux & Jasiak, 2022).

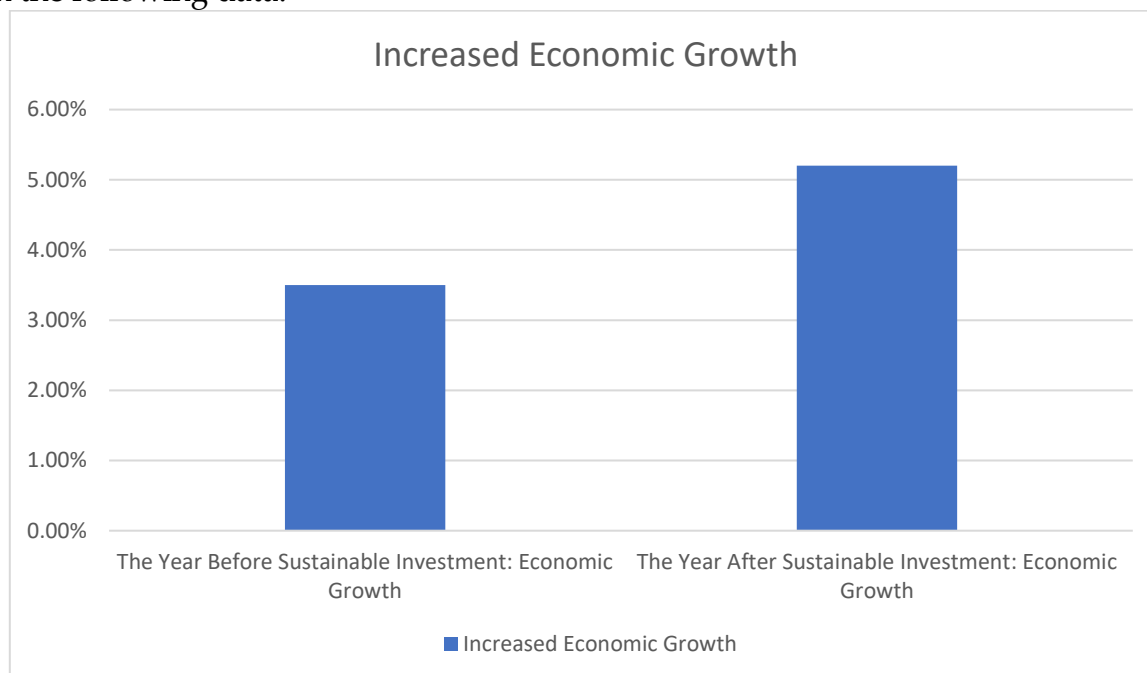
#### **D. RESULT AND DISCUSSION**

This study details the analysis of the impact of sustainable investment on economic indicators by relying on data collected from the sustainability reports of five leading financial institutions in Indonesia, namely PT Bank BRI (BBRI), Bank UOB Indonesia (UOYB), PT Bank Central Asia Tbk (BBCA), PT Bank Negara Indonesia Tbk (BBNI), and PT Bank BJB Tbk. (BJBR). These five banks have actively promoted loan programs to support environmentally friendly projects as part of their commitment to sustainability.

Significant macroeconomic data was obtained from the Indonesian Central Statistics Agency (BPS), and additional information came from the Financial Services Authority (OJK) report. This approach allows research to present robust and detailed statistical results regarding the impact of sustainable investments at the national economic level. This economic indicator data includes economic growth, unemployment rates, productivity of certain sectors, greenhouse gas emissions, and added value at the local community level

By combining financial data from financial institutions and macroeconomic indicators, this research aims to provide a comprehensive picture of how sustainable

investment can shape and improve overall economic prosperity. Statistical results regarding the impact of sustainability investment on economic indicators are shown in the following data:



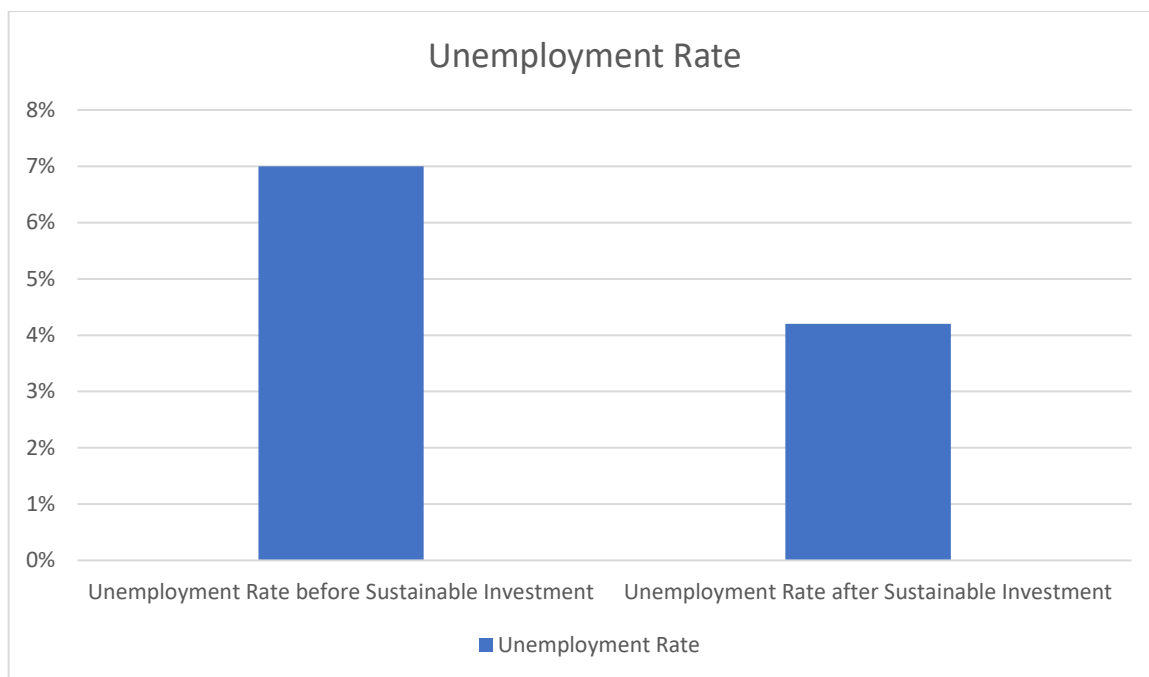
**Figure 3. Increased Economic Growth**

Source: data proceed

Analysis of statistical data regarding economic growth shows the positive impact of sustainable investment in certain sectors, with research samples involving five main financial institutions, namely PT Bank BRI (BBRI), Bank UOB Indonesia (UOYB), PT Bank Central Asia Tbk (BBCA), PT Bank Negara Indonesia Tbk (BBNI), and PT Bank BJB Tbk. (BJBR). In the year before sustainable investment, economic growth reached 3.5%, while after the implementation of sustainable investment, this figure increased to 5.2%.

Further analysis shows that the sustainable investment policies and practices adopted by these financial institutions have made a positive contribution to the stimulus of economic growth. Most likely because this investment encourages sectors that have a significant impact on national economic growth. For example, loan programs that support environmentally friendly projects from these banks can trigger growth in the green infrastructure sector or other sectors that support sustainability.

This increase in economic growth can also reflect investor and consumer confidence in the sustainability practices adopted by these banks. With increasing economic growth, it can be anticipated that the adoption of sustainable practices in the financial sector could become a model for other sectors, expanding its positive impact on the national economy as a whole.

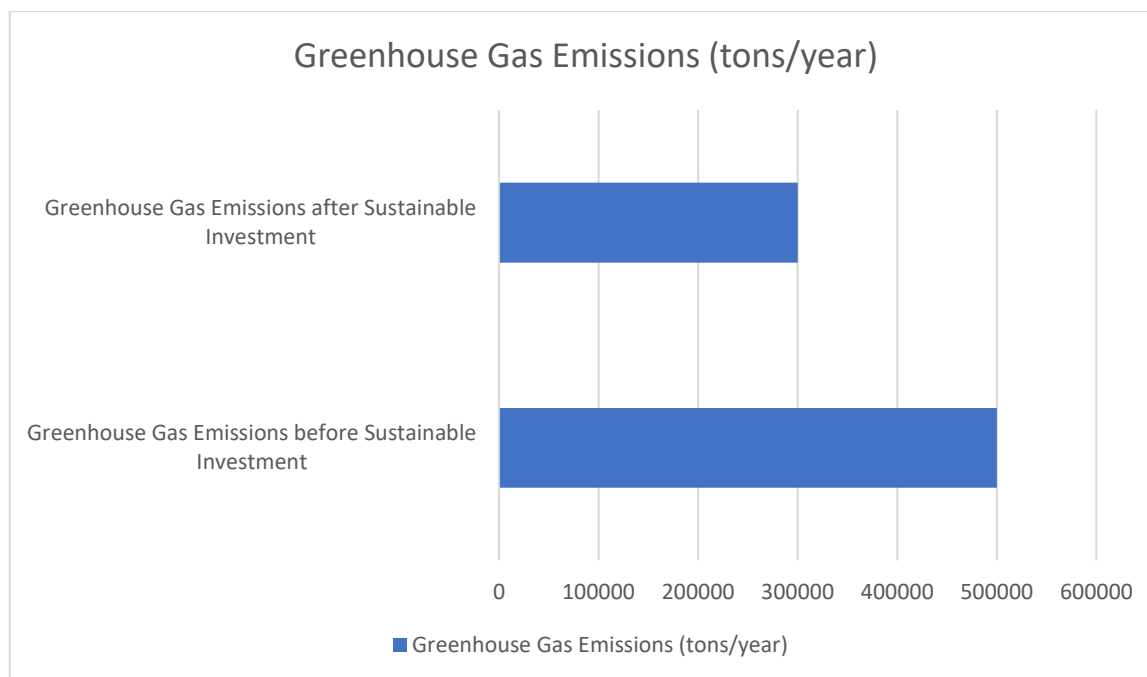


**Figure 4. Decreasing Unemployment Rate**

Source: data proceed

Statistical data analysis shows the positive impact of sustainable investment on the unemployment rate. Before the implementation of sustainable investments, the unemployment rate was at 7%, but after these investments were made, the unemployment rate dropped significantly to 4.2%. This reduction in unemployment rates can be interpreted as the result of sustainable investment initiatives carried out by the research sample, which involved PT Bank BRI (BBRI), Bank UOB Indonesia (UOYB), PT Bank Central Asia Tbk (BBCA), PT Bank Negara Indonesia Tbk (BBNI), and PT Bank BJB Tbk. (BJBR). This investment does not only focus on financial profits, but also on creating new jobs.

Investments in green projects or sectors that support sustainability can create jobs in areas such as renewable energy, green technology, or other sectors that engage in sustainable business practices. This not only provides direct economic benefits for society, but also creates a positive impact on the level of welfare and economic balance. By reducing the unemployment rate, data can be taken that sustainable investment not only helps economic growth, but also makes a significant contribution to social aspects, namely creating job opportunities and increasing the economic resilience of society.

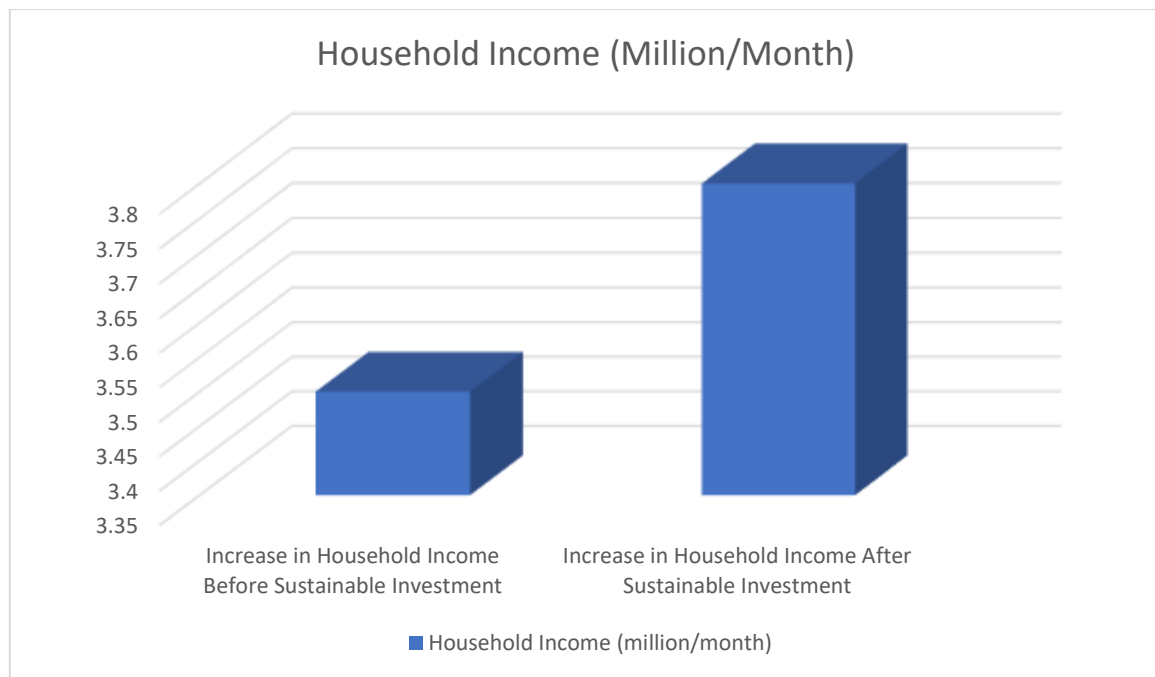


**Figure 5. Reducing Greenhouse Gas Emissions**

Source: Data proceed

Statistical data analysis highlights the positive impact of sustainable investments on the environment, especially in reducing greenhouse gas emissions. Before sustainable investment, the level of greenhouse gas emissions reached 500,000 tons/year. However, after implementing sustainable investment, this figure was successfully reduced to 300,000 tons/year. The significant reduction in greenhouse gas emissions reflects the success of sustainable policies and projects promoted by PT Bank BRI (BBRI), Bank UOB Indonesia (UOYB), PT Bank Central Asia Tbk (BBCA), PT Bank Negara Indonesia Tbk (BBNI), and PT Bank BJB Tbk. (BJBR). These investments may include allocating funds to renewable energy projects, energy efficiency improvements, or other initiatives that contribute to reducing the carbon footprint.

Apart from these economic and social benefits, reducing greenhouse gas emissions also shows a real commitment from these financial institutions to environmentally friendly business practices. By reducing environmental impacts, sustainable investments can make a positive contribution to climate change mitigation and natural resource conservation. Reducing greenhouse gas emissions can also be a concrete indicator that sustainable investment decisions can have a positive impact on the environment, which is in line with global sustainable development goals.



**Figure 6. Increasing Added Value to Local Communities**

Source: Data proceed

Sustainable investments made by PT Bank BRI (BBRI), Bank UOB Indonesia (UOYB), PT Bank Central Asia Tbk (BBCA), PT Bank Negara Indonesia Tbk (BBNI), and PT Bank BJB Tbk. (BJBR) provides a direct positive impact on the welfare of local communities through increasing household income. Before sustainable investment, household income in the local area reached IDR 3.5 million per month. However, after implementing sustainable investment, there was a significant increase to IDR 3.8 million per month on average.

This increase in added value can be interpreted as the result of the domino effect generated by the investment. Perhaps the investment creates new job opportunities, awards contracts to local entrepreneurs, or supports micro and small businesses in the community. An increase in household income reflects equitable local economic growth and makes a real contribution to improving the welfare of local communities. In this way, sustainable investment not only has a financial impact, but also acts as a catalyst for improving the quality of life in the community.

Acceptance of sustainable investment has broader implications that can make a significant contribution to overall economic recovery. Discussions regarding these implications involve various aspects, including economic, environmental, social and corporate governance. Here are some key aspects to pay attention to:

1. Sustainable Economic Growth

Sustainable investment can be a driver of long-term economic growth. By focusing on sectors that support sustainability, such as renewable energy, green technology and environmentally friendly infrastructure, the economy can develop more sustainably. Investments in renewable energy not only reduce dependence on fossil resources, but also create new industries with significant growth opportunities.

Innovation and growth in these sectors enable the economy to adapt to changing global needs and create sustainable jobs.

## 2. Job Creation

Sustainable investments tend to create new jobs in sectors related to sustainability, such as renewable energy, organic agriculture and environmentally friendly industries, this has the potential to reduce unemployment rates and increase people's incomes. By directing investment towards sectors that focus on sustainability, such as renewable energy, organic farming and green technology, new job opportunities can be created. This not only reduces the unemployment rate but also empowers local communities.

## 3. Environmental Impact Reduction

Focusing on sustainable investments can help reduce negative impacts on the environment. By supporting environmentally friendly projects, such as reducing carbon emissions, waste management, and natural resource conservation, the economy can grow without compromising environmental sustainability. Sustainable investments help reduce negative impacts on the environment, such as climate change and natural resource degradation. For example, investment projects focused on renewable energy reduce greenhouse gas emissions, while waste management initiatives can reduce pollution. This reduced environmental impact helps protect ecosystems and ensures long-term sustainability.

## 4. Increasing Global Competitiveness

Countries or companies that receive sustainable investment can increase their global competitiveness. More and more stakeholders are becoming aware of the importance of sustainability, and with the adoption of sustainable business practices, these entities can attract more investors and international trading partners. By accepting sustainable investments, an entity can increase its competitiveness in the global market. International stakeholders increasingly value sustainable business practices, and companies or countries that adopt this approach can attract more foreign investment and forge mutually beneficial international partnerships.

## 5. Innovation and Technology

Sustainable investments often involve research and development of new technologies to increase efficiency and reduce environmental impact. This can stimulate innovation and open up new opportunities for technological development that can improve overall productivity. Investment in renewable energy research can produce technological innovations that are more efficient and affordable. By leading in innovation, an entity can direct technological development and increase its competitiveness in the global marketplace.

## 6. Improved Reputation and Social Responsibility

Entities that accept sustainable investments can build a better reputation and increase their social responsibility. Stakeholders, including consumers and investors, increasingly value companies or countries that are committed to sustainable business practices. Sustainability has become a major concern for increasingly conscious consumers and investors.

#### 7. Regulation and Compliance

Acceptance of sustainable investments can create pressure for the development and implementation of regulations that support sustainability. This can create a business environment that is more open to sustainable practices and improve compliance with environmental standards. By embracing sustainable investments, entities can play a proactive role in the development of regulations that support sustainability. Establishing policies that support sustainable business practices can create a more open and reliable environment for sustainable investment in the future.

#### 8. Kebijakan Publik dan Dukungan Masyarakat

With sustainable investment, society can support public policies that encourage sustainable development. This creates a positive cycle where community support and sustainable investment are mutually reinforcing. Sustainable investments create opportunities for entities to build community support and gain support for public policies that support sustainability. By involving communities in sustainable initiatives, entities can build positive relationships and create a positive cycle around their business practices.

By recognizing these implications, accepting sustainable investment can be the key to achieving inclusive and sustainable economic growth that takes into account economic, social and environmental aspects.

### E. CONCLUSION

This research provides a comprehensive picture of the impact of sustainable investment on economic indicators, by taking research samples from five major financial institutions in Indonesia, namely PT Bank BRI (BBRI), Bank UOB Indonesia (UOYB), PT Bank Central Asia Tbk (BBCA), PT Bank Negara Indonesia Tbk (BBNI), and PT Bank BJB Tbk. (BJBR). The statistical data analyzed includes economic growth, unemployment rates, greenhouse gas emissions, and increased added value in local communities. The research results show that sustainable investment not only contributes to significant economic growth, reduced unemployment rates, and increased income of local communities, but also succeeds in reducing environmental impacts by reducing greenhouse gas emissions. The broader implications of accepting sustainable investment make a positive contribution to overall economic recovery, enhancing global competitiveness and strengthening corporate social responsibility.

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